

Message Text

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PAGE 01 KHARTO 00922 021304Z

14

ACTION COME-00

INFO OCT-01 AF-06 EB-07 ISO-00 /014 W

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R 021200Z APR 76

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 1410

UNCLAS KHARTOUM 0922

PASS USDOC FOR MEPD

E.O. 11652: N/A

TAGS: BGEN, EFIN

SUBJECT: MAJOR PROJECT - GM/TEREX EARTHMOVING
EQUIPMENT SALE TO SUDAN

REF: 75 KHARTOUM 2572

1. EMBASSY HAS RECEIVED COMMERCIAL CABLE FROM A MR. D'ANGELO OF GENERAL MOTORS OVERSEAS CORP. (NYC) QISAYING &'S SUDAN AGENT, TAHA ELGROUBI, HAD LETTER OF INTENT FROM GOS-CONTROLLED "PUBLIC CORPORATION FOR IRRIGATION WORKS AND EARTHMOVING" (PCIWE) FOR PURCHASE OF \$20 MILLION IN EARTHMOVING EQUIPMENT FOR USE IN VARIOUS IRRIGATION PROJECTS IN SUDAN. EXIM BANK PARTICIPATION DEEMED ESSENTIAL FOR CLOSING OF DEAL, HOWEVER, AND D'ANGELO ASKED FOR EMBASSY ASSISTANCE IN OBTAINING IT.

2. AS NOTED IN REFTTEL, EQUIPMENT WOULD BE USED INITIALLY FOR KENANA SUGAR PROJECT. HOWEVER, BORROWER HAS NUMBER OF OTHER CONTRACTS IN COUNTRY AND, IN FACT, PLAYS KEY ROLE IN CONSTRUCTION AND MAINTENANCE OF SUDAN'S MANY IRRIGATION PROJECTS. WHILE PCIWE IS

NOT DIRECTLY INVOLVED IN EXPORTS, PROJECTS FOR WHICH ITS SERVICES ARE REQUIRED ARE ALMOST ALL EXPECTED LEAD TO LARGE FOREIGN EXCHANGE EARNINGS. IN OTHER WORDS, WE BELIEVE THAT, PROVIDED GM OFFERS ADEQUATE MAINTENANCE FOR EQUIPMENT, MIN FINANCE GUARANTEE FOR
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PAGE 02 KHARTO 00922 021304Z

SALE IS WARRANTED ON BASIS OF NET POTENTIAL FOREIGN

EXCHANGE GAIN TO COUNTRY RESULTING FROM PROJECTS FOR WHICH EQUIPMENT IS TO BE USED.

3. ACTION REQUESTED: PLEASE ADVISE D'ANGELO (WHO REQUESTED REPLY) THAT EMBASSY HAS RECEIVED HIS MESSAGE AND HAD ALREADY GONE ON RECORD AS HAVING ENDORSED SALE. HE AND EL-ROUBI MIGHT IMPROVE PROSPECTS OF EXIM APPROVAL IF SECOND LENDER NOT NEEDING GUARANTEE (E.G., FROM KUWAIT) COULD BE FOUND AND IF SOME ARRANGEMENT COULD BE MADE WITH KENANA CDJP. TO ASSURE THAT AT LEAST SOME OF ITS CONTRACT PAYMENTS TO PCIWE COULD BE DIVERTED DIRECTLY TO EXIM AND PARTICIPATING LENDERS WITHOUT REFERENCE TO GOS EXCHANGE CONTROL.
BREWER

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Message Attributes

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TAGS: BGEN, EFIN, XMB, GENERAL MOTORS OVERSEAS CORP
To: STATE
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